

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA, NORTHERN DIVISION

IN RE:)	
)	
DRD TECHNOLOGIES, INC.,)	CASE NO. 15-81366
)	
EIN NO. 63-1088023)	CHAPTER 11
)	
Debtor.		

**DECLARATION OF DAVID DOBBS IN SUPPORT OF
CHAPTER 11 PETITION AND FIRST DAY PLEADINGS**

I, David Dobbs, hereby declare:

1. I am the sole stockholder, Director and President of DRD Technologies, Inc., (“Debtor”). In this capacity, I am familiar with the day-to-day operations, business and financial affairs of these entities since they were formed in 1993.

2. On May 19, 2015, (the “Petition Date”), Debtor filed with this Court a voluntary petition for relief under title 11 of the United States code, 11 U.S.C. § 101, *et seq.* (the “Bankruptcy Code”). To enable the Debtor to operate effectively and minimize any disruption caused by the commencement of the Chapter 11 case, Debtor has requested certain relief in “first day” motions and applications filed with this Court (collectively, the “First Day Pleadings”). Among other things, the First Day Pleadings seek to ensure the continuation of the Debtor’s tax deposits, payment of employee wages and benefits, without interruption, authorize the use of cash collateral, and establish certain other administrative matters such as hiring professionals to facilitate the transition of the Debtor into Chapter 11. The relief requested in the First Day Pleadings is critical to the Debtor’s effective reorganization and to prevent immediate and irreparable harm to the Debtor and its estate.

3. I submit this declaration to assist the Court and other interested parties in understanding the relevant facts and circumstances that led to the commencement of the Debtor's Chapter 11 case and in support of the First Day Pleadings.

4. I have reviewed the facts set forth in each of the First Day Pleadings and attest to the material accuracy thereof, except for an amendment to the statement of the value of accounts receivables and inventory stated in Cash Collateral motion, which was inadvertently misstated by my counsel. The correct value of such is contained in this declaration. Except as otherwise indicated, all facts set forth herein are based on my personal knowledge, my discussions with other employees or members of the Debtor's management, my review of relevant documents and books and records of the Debtor, or my opinion based on my experience, knowledge and information concerning the Debtor's operations and financial affairs. If called upon to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to make this Declaration on behalf of the Debtor.

I. BACKGROUND

A. The Debtor's Business

Debtor's business began in 1993. It is engaged in the business of providing logistics and technology development services and sales to government, individual and commercial clients.

5. The Debtor's most valuable asset is a patented off grid communication product, "NexField" which is being actively marketed to government agencies. The Debtor believes this product to have value exceeding \$200,000,000.00.

6. Debtor currently has 7 employees, and last year gross revenues of \$4,500,000.00.

B. **Operations**

7. Weekly Sales and Account creation for the last month is attached as Exhibit “A.”

8. The Debtor currently has the following in cash collateral:

Accounts Receivable--\$674,325.06

Inventory – \$928,965.85

Unfulfilled Requirements -- \$4,204,000.00

Total -- \$5,807,290.91

9. Attached as Exhibit “B” is the proposed weekly budget for operation on an interim basis.

10. The Debtor is able operate from its weekly revenues and pay its operating budget without materially effecting the collateral position of ServisFirst Bank.

11. Changes have been made to the Debtor’s accounting presentation which originally included work in process and unfulfilled requirements in the borrowing base to solely accounts receivable. These changes represent the most significant changes in presentation from the January 2015 to the current financial position.

12. The Debtor has not, at any time, willfully or intentionally misrepresented any information the ServisFirst Bank.

C. **The Chapter 11 Case**

13. Debtor commenced this case to reorganize its financial affairs. The Debtor intends to focus on stabilizing and improving operations, after which Debtor currently intends to propose a plan of reorganization.

II. First Day Pleadings

14. I have reviewed the facts set forth in each of the First Day Pleadings and attest to the material accuracy thereof, except as corrected herein. Entry of an order granting the relief requested in the First Day Pleadings is necessary to avoid immediate and irreparable harm to Debtor, its estate and creditors.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 21st day of May, 2015.

/s/ David Dobbs
DAVID DOBBS
President, DRD Technologies, Inc.

SWORN AND SUBSCRIBED to before me this 21st day of May, 2015.

/s/ Deborah A. Maples
NOTARY PUBLIC

My Commission Expires: 4/17/17

CERTIFICATE OF SERVICE

I hereby certify that I have sent a copy of the foregoing document to the parties listed below properly addressed either by United States mail or electronic mail on this the 21st day of May, 2015.

Richard Blythe
Bankruptcy Administrator
PO Box 3045
Decatur, Alabama 35602

Kevin Gray, Esq.
Emily Chancey, Esq.
MAYNARD COOPER & GALE, PC
PO Box 18668
Huntsville, Alabama 35804

William L. Phillips, III
Marks & Associates, PC
PO Box 11386
Birmingham, AL 35202

20 Largest Creditors attached hereto

/s/ Stuart M. Maples
OF COUNSEL

	Jan	Feb	Mar	Apr	May to date
Total Sales	\$226,246.93	\$87,998.14	\$237,570.24	\$73,616.75	\$33,529.48

Exhibit A

Weekly Totals	Payroll	Payroll Taxes	Rent	Utilities	Phone	Toll free phone	Gen Liability Ins	Work Comp Ins	UNUM	US Able	Health Ins
West Ferry	4569	1492	875	138	238	9	144	321	118	55	984
Redstone	920	242	425	192	15	0	inc	inc	inc	inc	inc

Weekly Totals Continued	Copier	Internet	Comcast	Comm Sec Monitor	Ad cost - yp	Shipping	Supplies	Mailing Services	Pest	Shred	Credit Card	Grand Total
West Ferry	125	41	17	6	26	207	100	42	14	34	0	\$9,555
Redstone	0	15	0	6	0	inc	inc	0	13	0	0	\$1,828

Exhibit B

ServisFirst
PO Box 18127
Huntsville, AL 35804

3M
PO Box 844127
Dallas, TX 75284

5.11 Tactical Series
4300 Spyres Way
Modesto, CA 95356

Belleville
PO Box 205157
Dallas, TX 75320

Best Made Designs
PO Box 475
Monahans, TX 79756

Blue Cross Blue Shield
Payment Processing
PO Box 360037
Birmingham, AL 35236

Burris Company, Inc.
920 54th Ave. Suite 200
Greeley, CO 80634

ESS
PO Box 740235
Los Angeles, CA 90074

Florida Bullet, Inc.
PO Box 7497
Clearwater, FL 33758

Florida Bullett, Inc.
PO Box 7497
Clearwater, FL 33758

Harris Corporation
PO Box 7247
Philadelphia, PA 19170

Moore Medical
PO Box 99718
Chicago, IL 60696

MRE Star (IMS USA, LLC)
Attn: Katherine L. Smith
PO Box 642
Ellenton, FL 34222

NSA
PO Box 901189
Cleveland, OH 44190

Point Blank Enterprises
c/o Sanders & Parks
3030 North Third St., Suite 1300
Phoenix, AZ 85012

Petzl America
PO Box 413039
Salt Lake City, UT 84141

Rothco
3015 Veterans Mem. Hwy
Ronkonkoma, NY 11779

SafariLand
PO Box 406351
Atlanta, GA 30384

Sani Sport
c/o Deena R. Tyler, Esq.
1325 Dauphin St.
Mobile, AL 36605

Techni-Core
4681 Research Park Blvd.
Huntsville, AL 35806

Trivec Avant-COBHAM
17831 Jamestown Lane
Huntington Beach, CA 92647

Kevin Gray, Esq.
Emily Chancey, Esq.
PO Box 18668
Huntsville, AL 35804

William L. Phillips, III
Marks & Associates, PC
PO Box 11386
Birmingham, AL 35202